

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BERLIN PRIORITY

AMEMBASSY BUCHAREST PRIORITY

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AMEMBASSY MOSCOW PRIORITY

AMEMBASSY PRAGUE PRIORITY

AMEMBASSY SOFIA PRIORITY

AMEMBASSY WARSAW PRIORITY

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FOLLOWING REPEAT USIA 14619-U ACTION ALL USIS PRINCIPAL POSTS

AND FT BRAGG DTD 18 JUN

QTE

E.O. 11652: NA

SUBJ: CONTENTIOUS EXTRANEIOUS ISSUES AT WORLD

CONFERENCE FOR INTERNATIONAL WOMEN'S YEAR

REF: STATE 119806-C, INFOGUIDE 75-11

1. TO AMPLIFY PARA 2, INFO GUIDE 75-11, FOLLOWING PROVIDES
SPECIFIC INFO ON RANGE OF THIRD WORLD INITIATIVES WHICH MAY
BE RAISED AS ISSUES AT WORLD CONFERENCE FOR INTERNATIONAL WOMEN'S
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YEAR (WCIWY), MEXICO CITY, JUN 19-JUL 2, AND DETRACT FROM MAIN
PURPOSE OF CONFERENCE. SUBSTANCE OF ISSUES ROOTED IN CHARTER OF
ECONOMIC RIGHTS AND DUTIES OF STATES (CERDS) AND DECLARATION AND
PROGRAM OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL

ECONOMIC ORDER (NIEO), WHICH ATTEMPT TO ESTABLISH WIDE-RANGING OBLIGATIONS FOR DEVELOPED WORLD AND CORRESPONDING RIGHTS FOR DEVELOPING COUNTRIES. PRESIDENT ECHEVARRIA HAVING LAUNCHED THE CERDS, MEXICO CITY IS PRIME LOCALE FOR FURTHER FOCUS ON IT.

2. US FEELS STRONGLY THAT WCIWY IS NOT RPT NOT PROPER FORUM FOR SUCH DISCUSSIONS. WHILE US IS SYMPATHETIC TO LEGITIMATE PROBLEMS AND ASPIRATIONS OF DEVELOPING NATIONS, WE CONSIDER CERDS AND NIEO AS BEING UNBALANCED DOCUMENTS WHICH FAIL TO ENCOURAGE HARMONIOUS ECONOMIC RELATIONS AND COOPERATION FOR DEVELOPMENT BETWEEN AND AMONG NATIONS. FURTHER, US PREFERS CONSTRUCTIVE DIALOGUE CARRIED ON IN COOPERATIVE SPIRIT RATHER THAN CONFRONTATION BETWEEN BLOCS OF NATIONS. US AGREES WITH CERTAIN CONCEPTS CONTAINED IN SUBJ DOCUMENTS, E.G., LIBERALIZATION OF TRADE AND ACCESS TO MARKETS, INCLUDING GENERALIZED TARIFF PREFERENCES FOR LDCS; STABILIZATION OF PRIMARY COMMODITY PRICES WHERE APPROPRIATE AND WHERE IN INTERESTS OF BOTH PRODUCERS AND CONSUMERS; INCREASED TRANSFER OF REAL RESOURCES AND TECHNOLOGY TO DEVELOPING COUNTRIES; PRIORITY ASSISTANCE TO DEVELOPING NATIONS IN SUPPLYING FOOD AND INCREASING FOOD PRODUCTION; PRIORITY ATTENTION TO THE LEAST DEVELOPED OF THE LDCS.

3. FOLLOWING ARE PRINCIPAL US SUBSTANTIVE PROBLEMS WITH CERDS AND NIEO:

A. EXTENSION OF A STATE'S RIGHT OF PERMANENT SOVEREIGNTY OVER ITS WEALTH AND ECONOMIC ACTIVITIES (IN ADDITION TO SOVEREIGNTY OVER ITS NATURAL RESOURCES WHICH US HAS LONG RECOGNIZED):

1) THIS COULD INFRINGE UPON RIGHTS OF OTHER STATES AND THEIR CITIZENS WITH REGARD TO FOREIGN TRADE AND PRIVATE PROPERTY AND RAISE SERIOUS PRACTICAL PROBLEMS, E.G., HOW CAN A STATE HAVE PERMANENT SOVEREIGNTY OVER GOODS IT EXPORTS?

B. ASSERTIONS OF STATE'S RIGHT TO REGULATE FOREIGN INVESTMENT, SUPERVISE MULTINATIONAL CORPORATIONS, AND EXPROPRIATE FOREIGN PROPERTY.

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1) US RECOGNIZES RIGHT OF EVERY STATE TO REGULATE FOREIGN INVESTMENT WITHIN ITS NATIONAL BOUNDARIES; HOWEVER, STATES MUST ALSO OBSERVE A FOREIGN INVESTOR'S RIGHT TO EQUITABLE TREATMENT UNDER INTERNATIONAL LAW, INCLUDING DIPLOMATIC PROTECTION. US FEELS THAT WITHIN NATIONAL JURISDICTION OF EVERY STATE A MULTINATIONAL CORP SHOULD ENJOY SAME RIGHTS AND FULFILL SAME OBLIGATIONS AS ANY OTHER FOREIGN CITIZEN.

2) WE RECOGNIZE THE LEGALITY OF EXPROPRIATION WHEN FOR A PUBLIC PURPOSE AND WHEN PROMPT, ADEQUATE, AND EFFECTIVE COMPENSATION IS PROVIDED FOR. WE DO NOT AGREE THAT "APPROPRIATE" COMPENSATION CAN BE DETERMINED SOLELY BY THE NATIONALIZING STATE WITHOUT REGARD TO INTERNATIONAL LAW, NOR DO WE ACCEPT SSEEING

OF DISPUTES OVER COMPENSATION SOLELY UNDER DOMESTIC LAW AND BY LOCAL COURTS TO THE EXCLUSION OF CUSTOMARY INTERNATIONAL LAW.

C. FORMATION OF PRIMARY COMMODITY PRODUCERS ORGANIZATIONS (I.E., CARTELS) IS BROADLY ENDORSED BY CERDS AND NIEO, AND OTHER STATES ARE PROHIBITED FROM LIMITING THIS RIGHT.

1) US CANNOT AGREE TO SUCH BOARD ENDORSEMENT OF PRODUCER CARTELS AND THEIR ACTIONS, NOR WILL WE AGREE TO REFRAIN FROM RESPONDING IN ORDER TO PROTECT OUR OWN LEGITIMATE INTERESTS.

D. ALL COUNTRIES ARE OBLIGED TO COOPERATE IN ACHIEVING PRICE ADJUSTMENTS FOR LDC EXPORTS IN RELATION TO THEIR IMPORTS, IN ORDER TO PROMOTE MORE FAVORABLE TERMS OF TRADE FOR THE DEVELOPING NATIONS.

1) THIS IMPLIES INDEXATION, INVOLVING INTERNATIONAL PRICE REGULATION AS WELL AS INTERFERENCE IN DOMESTIC MARKETS, AND WOULD BE INFLATIONARY. A TERMS-OF-TRADE INDEX COULD VARY WIDELY WITH THE BASE PERIOD SELECTED AND COULD NOT TAKE INTO ACCOUNT CHANGES IN PRODUCTIVITY AND PRODUCT QUALITY, DIFFERING EXPORT-

IMPORT RELATIONSHIPS THROUGHOUT THE DEVELOPING WORLD, AND THE FACT THAT MANY COMMODITIES AND MANUFACTURES ARE TRADED BY COUNTRIES IN BOTH THE DEVELOPED AND THE DEVELOPING WORLD.

2) THERE IS SOME EVIDENCE THAT THE PRICES OF MOST COMMODITY EXPORTS OF THE DEVELOPING COUNTRIES HAVE NOT SUFFERED FROM LONG-TERM DETERIORATION IN COMPARISON WITH PRICES OF MANUFACTURES.
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FACTURED GOODS. THIS RAISES DOUBTS ABOUT EXACTLY WHO WOULD BENEFIT FROM INDEXATION, EVEN IF PRACTICABLE.

E. STATES WHICH PRACTICE COLONIALISM, "NEO-COLONIALISM," OCCUPATION, ETC., ARE OBLIGED TO PROVIDE RESTITUTION AND "FULL COMPENSATION" FOR THE EXPLOITATION OF RESOURCES:

1) THERE IS NO FURTHER DEFINITION, NOR ANY TIME FRAME INDICATING WHETHER THIS PROSPECTIVE OR ALSO RETROSPECTIVE;

2) THIS PROVISION BASED ON QUESTIONABLE INTERPRETATION OF HISTORY;

3) IT INVOKES CONCEPTS WHICH NEITHER UNDERSTANDABLE NOR EXECUTABLE, AND EMPLOYS ILL-DEFINED TERMINOLOGY WHICH CONSTITUTES A POLITICAL INDICTMENT WHICH HAS NO PLACE IN A CHARTER DESIGNED TO BE SIGNED BY ALL COUNTRIES.

4. STATES SHOULD BE ALERT FOR ATTEMPTS BY DEVELOPING NATIONS DURING WHICH TO RAISE ABOVE ISSUES, AND COUNTER WHEN APPROPRIATE. INGERSOLL

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